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Recommendation no. 9.

Recommended guidelines for lead managers when high-yield corporate bonds are to be issued

This recommendation was adopted by the board of the Norwegian Securities Dealers Association on 10 June 2013. Updated on 3 January 2019 as a result of amendments to the Securities Trading Act. Amended on 1 December 2020 as a result of changes to Standard 3. Amended on 2 March 2021. (With annexes as at 1 July 2021).

Part I

The handling of information, etc, when preparing for the issuance of high-yield corporate bonds

1. Introduction

This recommendation codifies among other things the current industry practice for handling information when preparing for the issuance of corporate bonds. The recommendation is also intended to protect investors and ensure that the market's integrity is safeguarded in the best possible way.

The handling of information when preparing for the issuance of corporate bonds is slightly different to when preparing for the issuance of shares due, among other things, to these securities' different characteristics. The risk relating to shares is to a large extent linked to fluctuations in share prices on stock exchanges and other marketplaces and/or the investors' assessment of the enterprise's value, while bonds have more risk linked to credit and liquidity. Unlike shares, bonds that are bought at around par will normally only have a limited upside since bond owners are never entitled to more than the nominal value plus interest. In the same way as shares, however, bonds can have a considerable downside if the enterprise does not do well and cannot service its debt, and the pricing of bonds in the secondary market will depend on the prevailing market conditions.

2. The bonds covered by part I of the recommendation

Part I of the Recommendation is basically only applicable to corporate bonds issued by enterprises with a low credit rating, so-called high-yield bonds. This type of bond has more in common with shares than other bonds as regards sensitivity in relation to company and market information. The Recommendation also applies to high-yield certificates, but these are issued very rarely.

A low credit rating means here bonds with a rating lower than BBB-.

Rating means here the official rating from an approved rating agency in accordance with the CRA III[1] regulations. If no official rating exists, it is the investment firm's own responsibility to conduct a qualified assessment of whether it is reasonable to assume that the credit rating would be lower than BBB-.

Corporate bonds issued by enterprises with high creditworthiness, "Investment Grade (IG)" bonds and certificates, including bonds issued consecutively under so-called "frequent issuers'" programmes are basically not covered by the Recommendation. This is because

[1] Regulation (EU) No. 462/2013

price-sensitive information rarely exists when these are issued. When IG bonds are issued, both the preparations and sale often take place directly from the syndicate or bond desk (the broker desk). Each issuance should nevertheless be considered in relation to inside or price-sensitive information and whether such a method of organisation can be used.

If the issuance of IG bonds/certificates does entail price-sensitive or inside information, part I of this Recommendation should be complied with.

The Recommendation applies to both listed and unlisted corporate bonds. In practice, the majority of bonds covered by this recommendation will be unlisted since most of the bond issues in Norway are not listed or the subject of an application for listing until after the issue/preparations have taken place. Bonds admitted to the Euronext Oslo Stock Exchange's ABM (Nordic Alternative Bond Market) list are unlisted since the ABM list is not categorised as a regulated market according to the provisions of the Securities Trading Act.

3. Legal starting point

Both Mifid II[2] and MAR[3], which are incorporated into Norwegian law, are applicable when preparing for all types of bond issues.

The MAR provisions apply to bonds which are admitted to trading on, or the subject of a request for admission to trading on, a regulated market, or which are traded on an MTF or an OTF, or for which a request for admission to trading on an MTF or OTF has been made[4]. New loans in the Norwegian bond market are not listed at the preparation stage and no application to have them listed is made until after the issue has been carried out. The MAR provisions will also be applicable if the issuer has other financial instruments admitted to trading on the aforementioned marketplaces, or if the issuance of the new loan may affect the price of other listed financial instruments.

In exceptional cases, a so-called loss issue may include instruments that are listed at the preparation stage since this is an extension of an existing listed loan. Such bonds are often issued as "Temporary Bonds" that are listed and merged with the original tranche (the same ISIN).

Thus, basically, the provisions on insider trading (dealing) and market manipulation, etc, will often not be directly applicable to bonds that are not listed or for which no application to be listed has been made, but the following factors, among others, must be taken into consideration:

[2] EU 2014/65 with associated legislative acts
[3] EU 596/2014 with associated legislative acts
[4] Below, the concept of "listed" is also used for "admitted to trading"

- Information on new loans being raised may be important for the pricing of existing listed bond issues (for example, this may reveal factors relating to the enterprise's need for refinancing)
- Factors linked to bond issues may be important for the pricing of a bond issuer's listed shares or other listed financial instruments

The issuance of unlisted bonds may thus mean that there is inside information relating to the issuer's existing listed financial instruments and must in such case be dealt with accordingly.

Section 3-7 of the Securities Trading Act, which prohibits the use of "unreasonable business methods", is applicable to unlisted loans/loans for which no application to be listed has been made, and this may mean that an investor cannot, for example, trade on the basis of price-sensitive information linked to a bond issue.

Key provisions linked to investment firms' handling of information (in addition to the provisions on insider dealing stated in MAR) are:

- the conduct of business rules in section 10-9 of the Securities Trading Act,
- the duty of confidentiality rules in section 10-5 of the Securities Trading Act

When carrying on business activities, investment firms must, according to section 10-2 of the Securities Trading Act, take all appropriate steps to identify and to prevent or manage conflicts of interest between them and their clients and between their clients.

In addition, all investment firm employees are subject to a general duty of confidentiality regarding information about the affairs of others that comes to their knowledge in the course of their work, cf section 10-5 of the Securities Trading Act.

This duty of confidentiality includes the name of the firm's principal (the client). The duty of confidentiality does not distinguish between sensitive and neutral client information.

However, the duty of confidentiality must not prevent the exchange of information with persons who have a justifiable need for the information (such as other employees, contracting parties, advisors).

4. The procedure when preparing bond issues and handling information

Investment firms that prepare corporate bond issues should have a Debt Capital Market (DCM) department in the Investment Banking[5] (corporate finance) area that operates with information barriers against the firm's other activities, such as broking, market-making and analysis. This department may provide advice to companies on capital structures and capital

[5] This does not mean the DCM must be located at the same place as other departments in the Investment Banking area.

requirements, etc, and help to prepare investor documentation, such as term sheets and subscription agreements.

In order to manage conflicts of interest, a new mandate regarding preparations in connection with the issuance of a high-yield bond should also be dealt with by the investment firm's Engagement Committee or suchlike.

Normally, bond issues are prepared in the following phases (the order of these may vary):

- The pitch phase
- Negotiations on a mandate
- A legal and corporate review (due diligence, hereafter abbreviated to DD)
- The possible preparation of insider lists - restrictions on information handling
- The preparation of subscription documentation, a Term Sheet, Terms of Application (ToA), investor presentation, etc, including an assessment of a stock exchange listing
- A decision to announce the intention to hold investor meetings or to hold investor meetings in the private domain
- Investor meetings and possibly market soundings
- Feedback from investors (not binding)
- The sales phase
- If relevant, a listing prospectus

4.1 The pitch phase

During the pitch phase, one or several investment firms (the DCM departments) present their offer to the potential issuer concerning the preparation of the bond issue; based on assessments of the enterprise and the enterprise’s need to raise a loan. During this phase, there are often several investment firms which, independently of each other, present their ideas to the issuer. During this phase, there will not normally be any definite information on whether a loan will be raised and there will therefore also not be any information about who may possibly be given the assignment.

4.2 Negotiations on a mandate

After the pitch phase, the issuer starts to negotiate on a mandate agreement with one or several investment firms. During this phase, the likelihood of a loan being raised is sufficient for the investment firm to have to consider restrictions on information handling.

Restrictions on information handling should apply because there may be both inside information and price-sensitive information linked to bonds that are not listed or for which no application to be listed has been made, refer to item 3.

In order to manage any conflicts of interest, the issuance/mandate should be submitted to the investment firm's Engagement Committee or suchlike before a preparation agreement is entered into with the issuer.

a. Legal and corporate review (due diligence (DD))

The lead manager must consider the extent to which there is to be a DD of the issuer and the issuer's activities, see below in part II of this recommendation. The DD may be conducted by the lead manager or by an external third party, such as a lawyer, auditor, etc. The scope of the DD will depend on how much information is otherwise available to the investors, and will have to be assessed specifically in each case. As a minimum requirement, a "bring down call" DD should be carried out with the issuer's management or board before the sales phase starts, at the same time as the issuer provides a Completeness Statement to the lead manager. Refer to annexes 1 and 2 to this recommendation[6].

The degree of DD that has been carried out, and any findings, should be clearly stated in the subscription material sent to investors.

4.4 Possible preparation of insider lists – restrictions on information handling

Below are some points that the project manager can use when assessing whether the forthcoming planned bond issuance may comprise inside information, ie, that it will have a significant effect on the price of either the relevant issuer's existing listed bonds or the issuer's equity instruments or other associated financial instruments:

List of factors (not exhaustive):

- The planned bond issuance appears to be financing which can, in principle, be cancelled without having any effect on the pricing of any other outstanding bonds from the issuer or the issuer's shares or other equity instruments.
- The company has no need for additional financing but is considering utilising a possible window in order to explore the opportunities for better conditions and ensure long-term financing when the market is offering sensible conditions.
- The issuer has no liquidity risk linked to due dates for loans, delivery conditions or other factors.

In the abovementioned situations, it will normally take a lot to allege that information on the bond issuance will have the nature of being inside information.

However, it is important for lead managers to be aware that the nature of information may change along the way, for example once it is clear that the company has, in the market sounding, seen sound interest in the book on good conditions (or the opposite). This may also affect the price of the issuer's equity instruments or outstanding bonds when it becomes clear that the company is going to continue with its financing plan.

[6] Annex 1: DECLARATION OF COMPLETENESS, called a "Completeness Statement" in this recommendation
Annex 2: DUE DILIGENCE CALL QUESTIONNAIRE, called a "bring down call" in this recommendation

If the company requires financing and there is a real liquidity risk that may be assumed to have a significant effect on the price, the bond issuance should be treated as inside information. The lead managers must in such case make sure to keep insider lists, and possibly a market sounding list, in accordance with prevailing regulations. Alternatively, the issuing company may choose to go public and offset the information through a stock exchange notice stating that the company is considering alternative financing solutions, including financing in the bond market.

4.5 Preparation of a Term Sheet, Investor Presentation, etc

A Term Sheet stipulates the conditions for the loan, including the term to maturity and interest rate. Normally, a market sounding takes place while the Term Sheet is being prepared. The Term Sheet is adjusted along the way as regards price, term to maturity and other borrowing conditions. An Investor Presentation is normally to be prepared, but may be considered superfluous if the issuer is a "frequent issuer" or the company has just presented figures so that the market already has good information.

4.6 Investor meetings and a possible market sounding

In many situations, it is desirable to arrange several investor meetings before deciding whether or not to go further with a transaction. This is done by announcing a roadshow with the company, often called "fixed income investor meetings", while also stating that a subsequent transaction is being considered. Such a process involving a publicly announced roadshow is basically not covered by the definition of a market sounding.

To test investors' interest relating to the transaction's conditions, the lead managers may need to conduct a so-called market sounding before finally deciding whether the transaction is to be launched, and at what price and volume.

In order for the market sounding to be covered by the requirements in MAR, it is a prerequisite, as stated in item 3 (The legal starting point), that the issuer has instruments listed on a regulated market, MTF or OTF, or that the issuance may have an effect on the price of other listed financial instruments.

During the market sounding phase, the investment firm contacts potential investors to investigate their interest in taking part in a potential bond issue, and these investors are urged to indicate a price and volume. The market sounding requires the DCM department to assess whether the information that potential investors will receive is inside information or price-sensitive information.

In those cases where the market sounding is covered by MAR, the lead manager must ensure that MAR's market sounding regulations are applied, refer here to Recommendation No. 4 on order book information and insider dealing, including the scripts in annexes 1 and 2.

This means, among other things, that the investor's consent[7] to being put in an insider position must be obtained before information on the transaction is given if the transaction includes inside information, which means that the investor is subject to restrictions (a duty of confidentiality and restrictions on trading). The investment firm must be able to document the investor's consent to this either in writing or in a sound recording. The firm must arrange for a list to be kept (market sounding list) as a result of investors being put in an insider position in connection with a market sounding. This list must also state the name of investors that have refused to receive information. Clients that have become insiders are no longer insiders once the issue has become publicly known, provided all the information given during the market sounding has been offset in the market through a stock exchange notice, etc. The investment firm must inform affected clients of this in a so-called "cleansing" email.

If the market sounding does not include inside information, for example because the issuer has already publicly announced a roadshow with a subsequent possible bond issuance, the simplified script requirements apply, refer to annex 2 of Recommendation No. 4 on order book information and insider dealing.

If the issue is not carried out, a situation arises in which it must be decided whether or not the inside information given in the market sounding is still to be regarded as inside information. Investors that were originally put in an insider position because a specific event was to occur can argue that the disappearance of the planned activity/event in itself means that the information can no longer affect prices. On the other hand, the failure to carry out a planned bond issue can also reinforce the price-driving effect of the information because the funding requirement was not met, the capital structure was not changed, or some players know about discussions concerning conditions that the market did not approve. Such considerations will be situation-dependent and must be thoroughly assessed in each case.

If the issuer's financial instruments are not listed and the information is considered to be price-sensitive, the investor must be asked if he wishes to receive confidential information that may mean he is affected by the prohibition in section 3-7 of the Securities Trading Act concerning "unreasonable business methods" if he acts on the basis of the information and/or imparts the information.

4.7 The sales phase

Information on the interest in subscribing may be inside information or price-sensitive information. Employees who receive subscriptions may not give information on the interest in subscribing to unauthorised third parties. In order to ensure the uniform treatment of this type of information, the DCM department or party keeping the book should have a procedure in place that limits the opportunity to provide information on the interest in subscribing to the firm's brokers, and information on the book's developments must not be spread to more people than is absolutely necessary; ie, only to those who keep the book and the DCM

[7] MAR Article 11 item 5

department. The firm should also have a procedure which determines frameworks for providing such information to clients, taking into account the requirement of equal treatment.

In some cases, clients that take part in a market sounding may receive a higher allocation than clients that subscribe in the ordinary manner when they are invited to subscribe for the bond issue, or they may be given a discount. If such a discount or higher allocation exists, it must be shown by the relevant allocation principles that are referred to in the subscription materials.

When investors are invited to subscribe for a bond issue, a subscription deadline is stated. Depending on the interest in subscribing, it is normal market practice to notify clients who have received subscription materials, and possibly other interested parties, of the date when the book will be closed; ie, if it will be closed earlier than on the expiry of the subscription deadline. The same applies if the deadline is extended.

The bonds are allocated to subscribers by the lead manager. The bond issuer is not entitled to know to whom bonds have been allocated unless otherwise stated in the documentation. Two sets of duty of confidentiality rules apply here. The Norwegian Central Securities Depository (VPS) may not provide such information to an issuer. This follows from the duty of confidentiality rules stated in the Securities Register Act. The investment firm has a duty of confidentiality in relation to the issuer, refer here to section 10-5 of the Securities Trading Act.

5 Recommendation

1. The firms must establish internal procedures which ensure proper information handling that, among other things, takes into account the fact that lead managers may come into possession of inside information both before and after the mandate/commitment contracts are signed.
2. The firm's Engagement Committee must discuss the assignment in order to, among other things, reveal and manage any conflicts of interest.
3. The firms should at least conduct a limited DD. Any significant findings should be stated on the subscription material.
4. Before carrying out a market sounding, the nature of the information must be assessed, including whether the provisions stated in MAR are applicable. If the market sounding is covered by MAR, MAR's provisions on market soundings must be complied with. In addition, it must be considered whether the market sounding is to be carried out with or without inside information. The investor's agreement to participate must be obtained on a documentable medium in accordance with the requirements of the “conduct of business rules” before the information is disclosed. A market sounding template is included in the Association's Recommendation No. 4 on order book information and insider dealing. There are two different templates, depending on whether or not the information to be shared is to be regarded as inside information. If the firm is to conduct a market sounding that is not considered to be covered by MAR, such as where the issuer does not previously have listed instruments, the firm is recommended to here, too, start off with the template

for a market sounding without inside information, and if relevant, make some adjustments to it.

5. Lead managers must discuss the issue relating to market sounding and the chance that investors may remain in an insider position in relation to the issuing company during the mandate phase in those cases when the transaction is not carried out as planned.
6. The firms must establish internal procedures which limit the opportunity to provide information on the interest in subscribing, internally or externally, in connection with an ongoing DCM department sales process. Such information shall only be given externally (to potential subscribers, etc) through notices/syndicate notices published by the lead manager, or possibly by the issuing company. This applies irrespective of whether or not the information is considered to be inside information.
7. Lead managers may update their clients and any other interested parties on changes during the subscription period, including the early closure or extension of the subscription period, provided the subscription materials show that the issuer/lead manager has reserved the right to change the stated length of the subscription period.
8. The subscription material must state allocation principles that provide information if, for example, clients that take part in a market sounding and undertake to subscribe during the market sounding phase may receive a higher allocation than clients who subscribe in the normal manner during the subscription period. If such a discount or higher allocation exists, it must be shown by the relevant allocation principles referred to in the subscription materials.

PART II

The lead manager’s investigations in the case of transactions that do not require a prospectus

Part II of the Recommendation applies to the lead manager's investigations when preparing high-yield bond issues. Part II states the investigations it is expedient for a lead manager to conduct in order to both protect investors and safeguard market integrity.

This part II of the recommendation is thus basically not applicable to IG issuances if the issuer is a “frequent issuer”, such as a bank or energy or power company that issues bonds regularly.

“Documentation” refers to the Term Sheet, application form, company presentation, information memorandum and any credit analyses.

The lead manager must consider to what extent a DD of the issuer and the issuer's operations is to be conducted. The DD is to be conducted independently and may be done by either the lead manager or an external third party. The scope of both a legal and financial DD will depend on the lead manager's knowledge of the issuer and need for information to the investors in order to comply with the obligations pursuant to the Securities Trading Act and other relevant sources of law, as well as the investors that are the intended buyers of the bonds. The scope of the DD will therefore have to be specifically assessed in each case. This means that, in some cases, the scope of the DD may be considerable, while it will be less extensive in cases where the lead manager has in-depth knowledge of the company or information is publicly available. The lead manager should consider the need for, and scope of, a DD as early as possible in the process.

As a minimum of investigations, the Association recommends an introductory meeting as well as a summing-up meeting/"bring down call" with the issuer's management or board before the sales phase is initiated. In addition, it is recommended that the issuer provide a declaration of completeness (Completeness Statement). Assessments relating to the DD should be documented, and the scope of the DD and any findings before this should be stated in the subscription materials that are made available to investors.

It is important to hold a "bring down call" at a time which allows any findings to be addressed in the Investor Presentation or suchlike. As a starting point, the issuing company's CEO or CFO should take part, along with other key personnel. Such a conversation must be documented by the telephone call being recorded. The Association recommends using the template in annex 2 to this recommendation.

As a template for the Completeness Statement, the Association recommends using annex 1 to this recommendation. The Completeness Statement should be signed by the issuer's board of directors and senior management. If the issuer is a company listed on a regulated market, it will normally be sufficient if the CEO or CFO signs. If more than three days elapse between

signing and allocation, or if there are other reasons to believe that significant changes may have taken place, it should also be considered whether there is a need for re-confirmation in an email. This means that the issuer confirms that no significant changes have taken place since the Completeness Statement was signed.

Reference is also made to such assessments and the DD procedure recommended in the Association's Industry Recommendation no. 12 on the execution of a due diligence in connection with an application for admission to Euronext Growth Oslo. This recommendation can also provide guidance on DDs for the issuance of bonds, as referred to above.

In addition to that stated in this recommendation, the lead manager must consider whether there is a need to initiate special investigations, provide information in addition to that normally provided by the market or make risks clear. This may, for example, be necessary if:

- The issuer has no duty to provide information to a regulated market since the enterprise has not issued listed financial instruments.
- The lead manager wishes to offer the transaction to non-professional investors/a wider investor universe.
- The issuer has financial problems or there are special events or challenges linked to the issuer.

1. **Conversation with the management**

   Introductory conversation:

   - The lead manager should *consider the need to hold* an introductory meeting with the issuer. Depending on the circumstances, a prior dialogue with the issuer may replace such an introductory meeting.
   - Company-specific risk factors should be one of the topics during the meeting/conversation.
   - The lead manager must specifically consider which of the members of the management should participate and whether there is a need for any legal advisors to attend.
   - The process should be documented.

   Summing-up conversation – see annex

   - Unless special circumstances so indicate, a summing-up conversation should be held in a recorded telephone call.
   - All those who took part in the introductory conversation and external advisors should be present during this recorded telephone conversation.
   - An agenda should be prepared for the conversation, based on the introductory conversation, the assumptions on which the transaction and documentation are based and other factors that the lead managers wish to have confirmed.

2. **Corporate presentation**

   - The corporate presentation is the issuer's product. The lead manager may assist, but it is important that the issuer is responsible for the content. Any special cases that deviate from this should be made clear.

- The presentation should be reviewed by the lead manager, possibly in collaboration with other advisors. Sufficient time should be set aside for the review.
- The corporate presentation should state risk factors that are specific to the issuer.

3. External investigations

- It should be considered whether other advisors are to look at any contracts or other documentation mentioned in the documentation or at any factors that have been revealed during the introductory conversation or which for other reasons appear to be relevant to the transaction.
- It should be considered whether there is a need for any other investigations, such as technical investigations.

4. The Completeness Statement – see annex

- The lead manager should obtain a declaration of completeness (Completeness Statement) that as a minimum is related to the information stated on the Term Sheet and in the corporate presentation and any other relevant documents delivered to the investor. The issuer should confirm that all the relevant information is available in the market. The lead manager normally relies on what the company states here unless the answers provide grounds for further investigations.

5. Additional information

- The lead manager is advised to give an account of its investigations relating to the placement or to ask the issuer to provide information in relevant presentation material showing the investigations made by the lead manager and/or external advisors and any findings uncovered by these investigations.

6. Application form

- The application form should state the location of the specific risk factors in the documentation.

Annexes

I The Norwegian Securities Dealers Association's template for a Completeness Statement for high-yield bonds

II The Norwegian Securities Dealers Association's template for a due diligence call – high-yield bonds

ANNEX 1

The Norwegian Securities Dealers Association's template for a Completeness Statement for high-yield bonds

DECLARATION OF COMPLETENESS[8]

To: [●][; and [●]]

([jointly,] the "**Contractor**")

Pursuant to an engagement letter dated [●] (the "**Engagement Letter**" which term shall also include any standard conditions and general business terms referred to therein), the Contractor has been engaged to assist [*Client*] (the "**Client**", which term shall also include its subsidiaries and affiliates)[9] in relation to the Client's proposed issue of [senior [un/secured] bonds (the "**Bonds**") (the "**Transaction**"). In relation to the Transaction, the Contractor has, among other things, assisted the Client in its preparation of [an offering memorandum,] an investor presentation, a term sheet, an application agreement and other presentation material and documentation [all dated [●]] (together, the "**Offering Material**") for which the Client is solely responsible.

[A limited due diligence review of [●] has been carried out by the Contractor and/or the Contractor's advisors, including a limited legal due diligence review carried out by [*law firm*] [, a financial due diligence review carried out by [*accounting firm*]] and] / [No formal financial or legal due diligence has been performed on behalf of the Contractor other than] a due diligence call with representatives of the Client held on [●].][10] In connection therewith and otherwise in relation to the Transaction, the Client has made certain information available to the Contractor and its advisor[s] (together, the "**Information Material**").

Included in the Information Material are the Client's [audited/unaudited [consolidated] annual/ interim] accounts for the [year[s]/period[s]] ending [●], [●] and [●]] (collectively, the "**Financial Statements**").

On behalf of the Client, the undersigned persons hereby represent and warrant for the benefit of the Contractor as follows, after having made all necessary and reasonable investigations and enquiries and to the best of their knowledge:

A. Disclosure matters

1. complete and correct information on all matters relevant for an evaluation of the Client and its business, financial and legal position, prospects and the pricing of the Bonds, has been made available to the Contractor through the Information Material, and there are no omissions likely to affect its import;

2. the information contained in the Offering Material is correct, and in all material respects complete and not misleading and contains all information required for investors to make an informed assessment of the Client and its business, financial and legal position, prospects and the pricing of the Bonds, and there are no omissions likely to affect its import;

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[8] ***NTD: An indemnification has not been included in the Completeness Statement, as this should always be included in the Engagement Letter. However, if a market standard indemnification for any reason has not been included in the Engagement Letter, or if the Engagement Letter has been signed by a person who cannot legally provide an indemnification on behalf of the Client, a market standard indemnification should be included herein.***

[9] ***NTD: To be adjusted on a case by case basis depending on the type of transaction (e.g. acquisition financings)***

[10] ***NTD: To be adjusted depending on type of investigations that have been conducted***

3. budgets, forecasts, liquidity prognoses and other forward-looking information, as well as any evaluation, intention or opinion that have been presented in the Information Material or the Offering Material have been prepared and presented according to the Client's best judgement and are based on assumptions considered reasonable by the Client and all known matters and circumstances of material importance have been duly taken into account in this respect;

4. [the risk factors contained in the Offering Material are complete and adequately and accurately describe and contain the material and the specific risks associated with the Client and its business, financial and legal position and the Bonds that are necessary to be aware of to make an informed assessment of the Client and the pricing of the Bonds;][11]

5. the Client is not aware of any fact or circumstance that is not public which (i) if made public, would be expected to have a material effect upon the assets or liabilities, financial position or prospects of the Client or of the rights attaching to the Bonds, or (ii) would require it to make a public announcement under applicable laws and regulations;

6. [the Client is not aware of any event or circumstance currently existing which would, unless remedied, make it likely for any of the risk factors in the Offering Material to materialize;][12]

7. [all questions raised in the due diligence call held on [●] have been correctly answered without any material omissions;][13]

8. [nothing has occurred since the due diligence call that would result in the information given in such call being untrue, incomplete or misleading as of today's date;]

9. all information made publicly available by the Client, as of the date on which it was made, was in all material respects true, complete with respect to the matters disclosed therein, accurate and not misleading. All announcements by the Client from the date hereof and to the completion of the Transaction will be true, complete and accurate and not misleading;

B. Assets and encumbrances

1. the Client has legal and beneficial ownership rights to its assets and all assets are free of pledges, liens, charges and encumbrances of any kind ("**Encumbrances**"), other than Encumbrances which will be permitted pursuant to the terms of the Bonds (or discharged in connection with the Transaction);

C. Regulatory compliance

1. the Client has complied with, is in compliance with and will up to the time of completion of the Transaction, comply with the reporting requirements under applicable laws, regulations and listing rules;

2. the Client and each of its subsidiaries has been duly organised and is validly existing and, where applicable, in good standing, as a company, a limited partnership or a general partnership, as applicable, under the laws of its respective jurisdiction of organisation. The Client and each of its subsidiaries has power and

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[11] ***NTD: To be included if there are risk factors in the Offering Material***

[12] ***NTD: To be included if there are risk factors in the Offering Material***

[13] ***NTD: The due diligence call should ideally be held at such time as to allow the Contractor to rectify findings and/or adequately reflect such findings in the Offering Material before it is used towards investors. The Completeness Statement should be signed prior to launch, and the Contractor may consider asking for reconfirmation by e-mail prior to settlement. The Client is also required to notify the Contractor of any changes to the statements included herein, cf. page 5 of this Completeness Statement***

authority (corporate and other) to own its properties and conduct its business, and is duly qualified under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction;

3. the Client and its subsidiaries as well as their respective directors, officers, employees and other representatives have conducted and will conduct the businesses of the Client and its subsidiaries in compliance with applicable Anti-corruption Laws and the Client and its subsidiaries have instituted and maintained and will continue to maintain policies and procedures designed to promote and achieve compliance with such laws. "Anti-corruption Laws" shall for these purposes be understood as all laws, rules and regulations of any jurisdiction applicable to the Client or its subsidiaries from time to time concerning or relating to bribery or corruption;

4. the operations of the Client are and have been conducted at all times in compliance with all applicable anti-money laundering laws as well as any applicable financial recordkeeping and reporting requirements in jurisdictions where the Client conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency, and save as would be immaterial in the context of the Transaction no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Client with respect to such laws, rules, regulations and guidelines is pending or threatened;

5. neither the Client nor any director, officer, employee, affiliate or representative of the Client, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is:

    a) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), the United Nations Security Council, the European Union, the European Economic Area, Her Majesty's Treasury or other applicable sanctions authority (collectively, "**Sanctions**"); nor

    b) located, organized or resident in a country or territory that is the subject of Sanctions.

6. neither the Client nor any of its subsidiaries will engage in, has engaged in or is now engaged in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions and neither the Client nor any of its subsidiaries will use the proceeds of the Transaction, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any Person who, at the time of such financing, is the subject of any Sanctions (including persons on the Specially Designated Nationals and Blocked Persons list maintained by OFAC);

7. neither the Client nor any of its subsidiaries is in violation of any applicable law, rule, regulation, decision or order of any governmental agency or body or any court having jurisdiction over the Client or its subsidiaries, relating to environmental, social or governance issues and the protection or restoration of the environment, or is subject to any claim relating to any such law, rule, regulation, decision or order, save as would be immaterial in the context of the Transaction;

8. the Financial Statements have been prepared in accordance with relevant legislation and applicable accounting principles, consistently applied. The Client's auditor has made no comments or reservations in its auditor's reports (Nw: *"revisjonsberetninger"*) and the Client has not received any numbered letters from its auditor during the past three years. The Client has no obligations or expected losses, which in accordance with relevant legislation and applicable accounting principles should have been reflected or

provided for in the Financial Statements, except as reflected or provided for in accordance with such legislation or principles;

9. the Client has complied with all applicable tax laws, filed all required tax returns, and paid all taxes and duties assessed at the correct time. There are no disputes or disagreements with relevant tax authorities on the assessment of any taxes or duties, and the Client is not aware of any circumstance that is likely to lead to such disputes or disagreements;

10. the Client is carrying on its business in accordance with all applicable laws and regulations, licences, permits, consents and approvals. The Client possesses such licences, permits, consents and approvals as are necessary to conduct the business operated by it;

D. The Bonds

1. the Bonds will upon completion of the Transaction be, and all other securities issued by the Client are, validly and legally issued;

E. Miscellaneous confirmations

1. unless otherwise disclosed in the Offering Material:

   a) Since [*last audited balance sheet date*], the Client has conducted its operations in a normal manner and there has been no event that has or could have, individually or in the aggregate, a material adverse effect on the current or future business, assets, liabilities, financial position or prospects of the Client. The Client is not aware of any matters currently existing that are likely to lead to any such material adverse effect.

   b) The Client does not have any material off balance sheet financing, investment or other liability.

   c) The Client has full ownership rights to all material assets that are included as owned in the Financial Statements (except for assets sold subsequent to the relevant balance sheet dates), and all charges on such assets that shall be referred to in these Financial Statements in accordance with relevant legislation and accounting principles have been referred to in the Financial Statements.

   d) All intellectual property being used in or in relation to or which are necessary for the Client's business is owned or licensed by the Client, is lawfully used and, if owned, is patented or otherwise sufficiently protected.

   e) The Client is not in breach of any agreement or contractual obligation that is relevant for the evaluation of the Client or the Bonds and the Client is not aware of any circumstances that are reasonably likely to lead to such breach.

   f) The Client is not involved in any legal dispute that is relevant for the evaluation of the Client or the Bonds and the Client is not aware of any circumstances that are reasonably likely to lead to such dispute.

g) There are no material contracts between the Client and a third party which, as a consequence of the Transaction, gives such party the right to terminate and/or re-negotiate such contract, or which could lead to a liability or penalty for the Client.

h) The Client has adequate insurance coverage for damages and liability that may occur, in line with what is customary for a group of its size, business and operations;

i) There are no material rights or obligations between the Client and any of the Client's related parties, and the Client is not party to any agreement which is not on arm's length terms.

j) No decisions or promises have been made which will imply changes to the Client's share capital or ownership structure as this is set out in the Offering Material.

k) The Client is not in default on any financing arrangement and no notices of default have been made by any of the Client's creditors under any existing indebtedness of the Client.

l) [There are no facts or circumstances that constitute "inside information" with respect to the Client's securities.][14]

m) The Client, and each group company, conducts its business in all material respects in compliance

with applicable laws and regulations, rules and requirements with respect to protection of personal data / data privacy, under, in particular, the EU General Data Protection Regulation ("GDPR") and its equivalents in relevant jurisdictions. This inter alia means that the Client has made relevant internal assessments, process and store data collected only insofar there is a legal basis, have implemented relevant retention polices, incident registers, have in place a data protection officer or equivalent, and the Client is not aware of any investigations on potential breaches by relevant data protection authorities and there has been no fines issued, or announced to the Client or its subsidiaries for breaches of GDPR.

n) The Client has made relevant assessments of cyber-security threats against the Client and its assets

and has implemented appropriate measures in order to mitigate the risks for attacks. The Client has not experienced any cyber-attack which has led to loss of data, leakages of information, unauthorized access to information – which has led to, or may lead to, any material financial losses to the Client.

o)[●][15]

This Declaration of Completeness is signed on behalf of the Client and does not establish any contractual obligations between the individual signatories and the Contractor.

The Client undertakes to immediately inform the Contractor if there are any changes to the statements set out herein from the date hereof and until completion of the Transaction.

[14] ***NTD: Relevant for issuers with listed securities***

[15] ***NTD: Additional deal and company specific statements should always be considered***

Any disputes regarding the Contractor's relationship with the Client, which cannot be resolved amicably, shall be resolved in accordance with the governing law and dispute resolution provisions in the Engagement Letter.

[*place*], [*date*]

On behalf of[16]

[*Client*]

[*name*]	[*name*]	[*name*]
(Chairman of the Board)	(CEO)	(CFO)

[16] ***NTD: Should be signed by representatives of the Board and senior management of the Client as there may be different information at different levels. The statement must in any event always be signed (i) by persons with adequate knowledge of the day-to-day business and risk factors facing the Client and (ii) by such persons who can legally bind the Client***

Annex II

The Norwegian Securities Dealers Association's template for a due diligence call – high-yield bonds

DUE DILIGENCE CALL QUESTIONNAIRE[17]

This due diligence call is held on [*date*] at [*time*] CET and will be recorded by [●].[18]

[*Client*] (hereinafter the "**Client**", and together with any of its subsidiaries and affiliates the "**Group**") has engaged [●] [and [●]] (hereinafter [jointly] the "**Contractor**") to assist the Client in respect of its proposed issue of [senior [secured/unsecured] bonds (hereinafter the "**Bonds**" and the "**Transaction**").

The marketing of the Transaction will be based on [an offering memorandum,] an investor presentation, an application agreement, a term sheet [all dated [●]] (together, the "**Offering Material**"), for which the Client is solely responsible.

The questions will be directed to the Client, represented by [the CEO and the CFO]. By representing the Client in this call, the representatives make these representations and warranties on behalf of the Client.

When the term "relevant" or "material" is used in this due diligence exercise, it shall mean information that is relevant for or material in the context of an investment decision in and the pricing of the Bonds.

A. Introduction

a. Could all representatives of the Client please state their name and title with the Client and confirm that they are familiar with the Offering Material and authorised to answer these questions on the Client's behalf.

b. Please confirm that you are aware that your answers shall be true, complete and accurate, and that you will not omit to state any information necessary in order to ensure that your answers are not misleading.

B. Questions related to disclosure matters

a. Has all relevant information about the Group, its business and financial position been received by the Contractor or otherwise been made public?

b. Is all information contained in the Offering Material correct, and in all material respects complete and not misleading [and are the risk factors included in the Offering Material in your assessment adequate for the Client's business][19]?

c. [Are you aware of any fact or circumstance with respect to any Group company, which makes it reasonably likely that any Group specific risk factor presented in the Offering Material would materialise?][4]

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[17] ***NTD: The due diligence call should ideally be held at such time as to allow the Contractor to rectify findings and/or adequately reflect such findings in the Offering Material before it is used towards investors***

[18] ***NTD: To ensure recordings can be easily located***

[19] ***NTD: To be included if there are risk factors in the Offering Material***

d. Are you aware of any fact or circumstance with respect to any Group company, which makes it reasonably likely that the Client will have to make a public disclosure, or decision to delay such disclosure, in the near- or medium-term, other than in connection with the Transaction?

e. Are you aware of any untrue statement of a material fact in any public filing by the Client or a Group company, or the omission of a material fact that is required to be disclosed to make any statement in any such public filing not misleading?

f. Are there any planned public filings other than in connection with the Transaction or normal course announcements relating to the business of the Client?

C. Questions related to financing and accounts

a. Do the Client's [audited/unaudited [consolidated] annual/ interim] accounts for the [year[s]/period[s]] ending [●], [●] and [●]] (the "**Financial Statements**") accurately reflect the business, financial and operational condition of the Group as per the period they cover?

b. Does the Group have any material off-balance sheet obligations or liabilities not reflected in the Financial Statements or Offering Material?

c. Has there been any material change with respect to the business, financial and operational condition of the Group after the last day of the period covered by the Financial Statements?

d. Has the Group incurred any additional long-term or short-term debt since the last day of the period covered by the Financial Statements?

e. Are there any capital market financing plans, refinancing plans or needs or any other challenges relating to the liquidity position or the solidity of the Client or the Group in the next 12 months?

f. Is any Group company in default, or risk of default, with any material financing arrangement?

g. How long has the current statutory auditor been appointed for the Client?

h. Have there been any material changes to the Client's relationship with its auditor in the last 3 years?

i. Has the auditor raised any material issue or has there been any material disagreement with the auditor in the last twelve months?

j. Has there been any material change in accounting principles in the last twelve months?

k. Is the Group in compliance in all material respects with all financial recordkeeping and reporting requirements?

l. Is the Client considering any material impairments, write-downs or charges, now or in the next twelve months?

m. Has the Group paid all taxes and other claims for payments from any governmental authority?

n. Are you aware of any position taken in prior tax returns where there is a potential material exposure for any Group company?

o. Is current trading and outlook in line with the management's expectations as disclosed in the Offering Material or otherwise?

D. Regulatory compliance

a. Are any of the Group companies subject to any material governmental or regulatory action or investigation?

b. Is the Group in all material respects in compliance with all applicable laws and regulations (including applicable anti-corruption, anti-money laundering and sanctions laws and regulations) and does the Group maintain policies and procedures designed to promote and achieve compliance with such laws and regulations?

3. Is the Group in all material respects in compliance with applicable laws, regulations and rules with respect to protection of personal data / data privacy, under in particular the EU General Data Protection Regulation ("**GDPR**")

4. Has the Client made relevant assessments of cyber-security threats and implemented appropriate measures in order to mitigate the risks for attacks?

5. Has the Client experienced any cyber-attack which has led to loss of data, leakages of information etc. which has or may lead to any material financial losses to the Client?

6. Has any Group company in the last 3 years been involved with any allegations of bribery, corruption, fraud, money-laundering or sanctions violations?

7. Please confirm that the proceeds from the Transaction will not be employed for the benefit of any activity or person which is subject to applicable sanctions laws or regulations.

8. Does the Group hold and comply with all licences and authorisations which are material for the conduct of its business?

9. Will any of these licenses and/or authorisations expire during the next 3 years, and if so, please confirm that it will be possible for the Client to extend the period and that there are no current reasons to come to the conclusion that no such extensions will be obtained by the relevant authorities or holders of the licensing rights.

10. Has there been any environmental incident or possible environmental incident in the Group since the last date of the Offering Material?

11. Have there been any material issues with respect to the Group's compliance with health and safety and environmental ("**HSE**") law, including any actual or threatened HSE litigation, government or regulatory proceedings or disputes in connection with the Client or any Group company which are not disclosed in the Offering Material?

E. Miscellaneous questions related to the Group

a. Are there any material related party transactions by any Group company that are not made on an arms-length basis?

b. Are there any material related party transactions that have not been subject to review by the statutory auditor of the relevant Group company or other third party?

c. Is any Group company involved in any dispute, legal or of another nature, which would be relevant in the context of the Transaction, or are you aware of any threat of or circumstances that might reasonably be expected to give rise to any such dispute?

d. Is the Group's current insurance coverage considered to be adequate for its business?

e. Are you aware of any existing or potential material insurance claims which any Group company may have?

f. Has any Group company received any termination notice or similar in relation to any material agreements, or have there otherwise been any recent changes in any material agreement relating to the Group's operations?

g. Are there any ongoing or threatened material conflicts with any supplier or customer of any Group company?

h. Is any Group company in default, or risk of default, under any material agreement?

i. Do you expect any specific operational challenges for the Group or its material assets in the next 12 months out of the ordinary course of business?

j. Has any member of the management of the Group or any director resigned or are you aware of any contemplated or potential resignation by any such person?

k. Will the proceeds generated from the Transaction ensure that the Client is able to fulfill the purpose for which the Transaction is to be launched? If not, please provide an overview of the funding gap and the measures taken to close it.

l. [Are there any facts or circumstances that have been considered to be "inside information" but have not been disclosed to the market?][20]

m. [●][21]

F. General

a. Other than as may have been discussed above, have there been, or do you have any reason to believe that there may be, any material updates to the Group's financial performance or strategy, its financing, legal or regulatory position, its current trading or fund-raising or otherwise any material updates to the Group's business or business plan?

b. Are there any third party consents required in order to effect the Transaction? If so, have such consents been given?

c. Does the Client have all necessary board and other corporate approval for the Transaction? If not, please explain the process for obtaining such board and other corporate approvals.

d. Are you aware of any questions or issues raised by current or potential shareholders or creditors, management or employees of the Group which have not been, and should be, disclosed in the Offering Material?

[20] ***NTD: Relevant for issuers with listed securities***

[21] ***NTD: Additional deal and company specific questions should always be considered***

e. Is there anything else which has not been discussed on this call and which might reasonably be expected to be material to an investor's view of the Client, the Group or the Transaction?

Does anyone have any other questions or comments?

No, then this due diligence call is complete.

Thank you.